

PROGRAM NARRATIVE**475 ND Mill and Elevator Association****Date:** 11/30/2020**Time:** 14:17:16**Program:** Flour Mill and Grain Terminal Operations**Reporting level:** 00-475-100-00-00-00-00000000**Program Performance Measures**

The North Dakota Mill:

- (1) seeks to be the leader in quality and service for the milling industry
- (2) manufactures flour to bakery specifications from hard red spring wheat
- (3) manufactures durum flour and semolina to pasta manufacturer's specifications from hard amber durum
- (4) seeks to develop new, value added products to enhance the growth and profitability of the North Dakota Mill

Program Statistical Data

The North Dakota Mill:

- (1) purchases and mills 34,000,000 bushels of spring wheat and durum
- (2) produces and sells 16,000,000 hundred weights of finished product of which approximately 80% is bulk and 20% is bagged
- (3) will provide employment for approximately 156 people

Explanation of Program Costs

A major part of the budget is wages and benefits for the 156 employees to mill 34,000,000 bushels of grain into 16,000,000 hundred weights of flour and semolina. Utilities and repairs are the next largest expense categories. Electrical useage is high as several motors of various sizes are used in running the terminal and mill. Costs of repairs and operating supplies are those required to keep the terminal and mill running at peak efficiency. Other expense includes advertising and promotion expense, data processing expense, insurance, communications, employee expense, and postage. Agriculture promotion is money spent on general promotion that is not tied specifically to mill products. All funds are generated through operations, and when necessary bank loans from the Bank of North Dakota are used. No General Funds are required.

Program Goals and Objectives

The North Dakota Mill will:

- (1) purchase and mill 34,000,000 bushels per year of North Dakota grown spring and durum wheat.
- (2) realize profits in order to maintain the facilities in top operating condition.
- (3) return a portion of the profits to the General Fund.

REQUEST DETAIL BY PROGRAM

475 ND Mill and Elevator Association

Date: 11/30/2020

Biennium: 2021-2023

Time: 14:17:16

Program: Flour Mill and Grain Terminal Operations	Reporting Level: 00-475-100-00-00-00-00000000
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Description	Expenditures 2017-2019 Biennium	Legislative Base 2019-2021	Budget Request Change	Requested Budget 2021-2023 Biennium	Optional Request 2021-2023
Salaries and Wages					
Salaries - Permanent	15,172,076	19,023,251	0	19,023,251	1,284,078
Salaries - Other	3,678,218	8,283,417	0	8,283,417	1,034,332
Temporary Salaries	83,046	615,300	(500,000)	115,300	542,400
Overtime	4,711,276	7,152,840	(1,000,000)	6,152,840	2,744,760
Fringe Benefits	11,751,606	11,373,016	(642)	11,372,374	0
Total	35,396,222	46,447,824	(1,500,642)	44,947,182	5,605,570

Salaries and Wages

General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	35,396,222	46,447,824	(1,500,642)	44,947,182	5,605,570
Total	35,396,222	46,447,824	(1,500,642)	44,947,182	5,605,570

Operating Expenses

Travel	511,858	705,000	0	705,000	25,000
Supplies - IT Software	120,792	300,000	0	300,000	10,000
Miscellaneous Supplies	3,181,754	2,325,000	600,000	2,925,000	375,000
Office Supplies	204,796	325,000	0	325,000	10,000
Postage	49,353	85,000	0	85,000	0
IT Equip Under \$5,000	75,592	230,000	0	230,000	10,000
Utilities	8,645,125	11,767,000	235,340	12,002,340	380,000
Insurance	2,166,619	2,850,000	1,973,980	4,823,980	700,000
Repairs	7,965,049	6,650,000	1,045,680	7,695,680	600,000
IT - Communications	134,795	200,000	0	200,000	10,000
IT Contractual Svcs and Rprs	259,213	675,000	(60,000)	615,000	0
Professional Development	346,125	405,000	0	405,000	20,000
Operating Fees and Services	0	2,295,000	(2,295,000)	0	0
Fees - Professional Services	83,874	425,000	0	425,000	20,000
Miscellaneous Expenses	0	600,000	0	600,000	20,000
Total	23,744,945	29,837,000	1,500,000	31,337,000	2,180,000

Operating Expenses

General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	23,744,945	29,837,000	1,500,000	31,337,000	2,180,000
Total	23,744,945	29,837,000	1,500,000	31,337,000	2,180,000

Agriculture Promotion

REQUEST DETAIL BY PROGRAM

475 ND Mill and Elevator Association

Biennium: 2021-2023

Date: 11/30/2020

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Program: Flour Mill and Grain Terminal Operations		Reporting Level: 00-475-100-00-00-00-00000000			
Description	Expenditures 2017-2019 Biennium	Legislative Base 2019-2021	Budget Request Change	Requested Budget 2021-2023 Biennium	Optional Request 2021-2023
Non Operating Expenses	50,285	210,000	0	210,000	0
Non-Operating Expenses	0	0	0	0	290,000
Total	50,285	210,000	0	210,000	290,000
Agriculture Promotion					
General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	50,285	210,000	0	210,000	290,000
Total	50,285	210,000	0	210,000	290,000
Contingency					
Non Operating Expenses	0	500,000	0	500,000	0
Total	0	500,000	0	500,000	0
Contingency					
General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	0	500,000	0	500,000	0
Total	0	500,000	0	500,000	0
Total Expenditures	59,191,452	76,994,824	(642)	76,994,182	8,075,570
Funding Sources					
General Fund					
Total	0	0	0	0	0
Special Funds					
475 Mill and Elevator Fund	59,191,452	76,994,824	(642)	76,994,182	8,075,570
Total	59,191,452	76,994,824	(642)	76,994,182	8,075,570
Total Funding Sources	59,191,452	76,994,824	(642)	76,994,182	8,075,570
FTE Employees	153.00	156.00	0.00	156.00	0.00

CHANGE PACKAGE DETAIL
475 ND Mill and Elevator Association
Biennium: 2021-2023

Date: 11/30/2020

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Program: Flour Mill and Grain Terminal Operations			Reporting Level: 00-475-100-00-00-00-00000000			
Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds

Base Budget Changes

Ongoing Budget Changes

A-A 2 Reduce Wages to Base Budget		0.00	0	0	(4,105,570)	(4,105,570)
A-A 200 Reprioritizing Reductions		0.00	0	0	(3,855,000)	(3,855,000)
A-A 300 Reprioritizing Increases		0.00	0	0	3,855,000	3,855,000
Base Payroll Change		0.00	0	0	4,104,928	4,104,928
Total Ongoing Budget Changes		0.00	0	0	(642)	(642)
Total Base Budget Changes		0.00	0	0	(642)	(642)

Optional Budget Changes

Ongoing Optional Changes

A-C 1 Inflationary Increases and Business Growth	1	0.00	0	0	8,075,570	8,075,570
Total Ongoing Optional Changes		0.00	0	0	8,075,570	8,075,570
Total Optional Budget Changes		0.00	0	0	8,075,570	8,075,570